

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE WORK STUDY SESSION OF THE
FOUNTAIN HILLS TOWN COUNCIL
MAY 12, 2009**

AGENDA ITEM #1 - CALL TO ORDER AND ROLL CALL

Mayor Schlum called the meeting to order at 5:00 p.m. in the Town of Fountain Hills Council Chambers.

Present for roll call were the following members of the City Council: Mayor Schlum, Councilmember Contino, Vice Mayor Leger, Councilmember Brown, Councilmember Hansen, Vice Mayor Archambault and Councilmember Dickey. Town Manager Rick Davis, Town Attorney Andrew McGuire and Town Clerk Bev Bender were also present.

AGENDA ITEM #2 – DISCUSSION REGARDING THE TOWN'S POSSIBLE PARTICIPATION IN THE DOWNTOWN MASTER PLAN PROCESS.

Town Manager Rick Davis addressed the Council relative to this agenda item and stated that quite some time ago the Fountain Hills Chamber of Commerce had set into motion a process to review land use in the downtown area and, as part of that, they retained the services of Vern Swaback & Associates out of Scottsdale. He said that many of the Councilmembers may already have had an opportunity to attend some of the meetings presented and seen some of the things put together relative to the visioning process for the downtown area. Mr. Davis advised that this evening staff's goal was to obtain direction from the Council relative to the question of future participation in funding some of the phases that would be associated with the visioning project. He added that to his knowledge Phases I and II had been completed, the first one being a reconnaissance type of phase, and noted that Phase III was where there would be an actual formation of a community vision for the downtown area. He further stated that Phases IV and V would entail implementation or codification of this project. He noted that without Phases IV and V, the project became simply a plan on a shelf. He said that staff had no specific recommendation for the Council but was simply eager to understand which way the Council would like to proceed before they saw this item on an agenda proposing expenditures by the Town to support the future phases.

Mayor Schlum announced that newly appointed Councilmember Dennis Brown was participating in the meeting, welcomed him, and thanked him for his participation as they moved forward.

Mr. Davis advised that staff would like some indication from the Council as to whether they would entertain a proposal on the May 21st agenda for the Town to participate in the future phases and to what degree they would like to participate. He said that discussion had taken place among those involved relative to participating in Phase III and questioned whether the Council would like to do more than that and continue on with Phases IV and V. He said that staff was looking to find out the Council's participation preference was.

Mayor Schlum thanked Mr. Davis for his remarks and stated that a few of the members of the Council were familiar with this issue but others were not as familiar so it would be good to have some discussion on the matter. He requested that staff provide an overview of the various phases and encouraged the members of the Council to pose questions relative to the overall game plan that was proposed to the Town and the Chamber. He said that he was fairly familiar with the concept as were Councilmembers Hansen and Leger. He added that Councilmember Contino went to the public meeting the end of April. He noted that The Fountain Hills Times had done a decent job writing about this issue and expressed the opinion that they probably all had some level of understanding. He added that he personally would like to see this item on the next agenda.

Councilmember Dickey requested that the Mayor or Mr. Davis explain how this would fit in with the budget discussions and Mr. Davis advised that there had been no specific provisions made in the proposed budget to support this but added that the idea and the possibility was that support could be made possible through the Economic Development Fund. He noted that work would be done by the end of this Fiscal Year. He said that staff had one specific option that they plan to present to the Council.

Vice Mayor Archambault commented on the fact that staff was banking on the entire Swaback study being done before the new Fiscal Year began and Mr. Davis said that he believed that the calendar, at one time, noted that completion would take place before the end of the Fiscal Year. He stated that he believed they were now at the beginning of Phase III/end of Phase II and added that Frank Ferrara, with the Chamber, was extremely familiar with the issue and could respond to questions from the Council if desired.

Mr. Ferrara addressed the Council and advised that Phase II was complete except for the public input meeting that would be held May 20th at the Community Center from 5:30 p.m. until 7:00 p.m. He added that Phase III could begin immediately or "whenever." He explained that if there was a problem this Fiscal Year with the cash, a delay would not be a problem and noted that they were looking at it "phase by phase" so they had some breathing room in case there were some budgetary considerations.

The Vice Mayor advised that he would be interested in seeing this item on a future agenda.

Mayor Schlum commented on the fact that the proposal constituted a big effort and would require much involvement.

Councilmember Hansen said that it might be helpful for anyone interested to review the entire presentation that was given and noted that it was on the Chamber's website.

Councilmember Dickey asked whether this would have anything to do with who owned the property and the Mayor referred to a diagram and said that it pointed out the scope of the study area (from Fountain Park all the way up and past Bashas and from El Lago all the way to the other end of La Montana past Palisades). He stated that this would ultimately provide the framework to drive future development in that area in a planned manner. He said that it was not about incremental planning.

Mr. Davis commented that "you could develop incrementally -- you just could not have an incremental vision."

The Mayor advised that this was about the Council's vision for the downtown area and stressed the importance of having the public and the property owners involved in this process.

Councilmember Leger asked whether there was any chance of having Swaback present to the Council and expressed the opinion that it would be very helpful for the public to hear such a presentation. He noted that they were really looking at reinventing downtown; establishing a variety of districts. He recommended that they be asked to attend a meeting, do a presentation and bring everyone "up to speed" in terms of what had transpired. He added that a condensed version of what was presented the other evening would suffice.

Mr. Davis stated that if the rest of the Council agreed with this recommendation he would arrange to have Mr. Swaback or one of the other principals be present on May 21st to highlight a presentation.

Councilmember Leger said that he was hearing that staff was looking at two possible options - either spending dollars that might be available in this Fiscal Year to sign a contract and complete the project with Phases III, IV and V or the other option - the possibility of rolling this into the next Fiscal Year and funding it in the new budget.

Mr. Davis advised that as it looked right now that it would be six weeks out if they started today on Phase III and worked their way through. This being the middle of May they were going to be pretty close to the end of the Fiscal Year as it was. He added that since the majority of work had been completed on this side of the Fiscal Year he thought it would be most appropriate to plan on their participation being part of this current Fiscal Year.

Councilmember Leger said that it appeared to him that the Downtown Development Fund, which was one-tenth of a percent of the Town's excise tax, was put aside exclusively for this type of work. He noted that there was money available in that fund and said that was one place they could look to for the possible funding of Phase III this Fiscal Year and look at funding Phases IV and V during the next Fiscal Year. He stated that he believed there was a balance of approximately \$1 million in that fund.

Mr. Davis said that it was staff's intention to propose the utilization of that fund for this purpose.

Councilmember Dickey asked what potential they had to actually drive development when other people owned the property and there were ideas about different types of districts. She asked what kind of actual control would be in place and said before they spent monies out of the Downtown Development Fund she would want to know that this was something that could be done no matter who owned the property.

Mr. Davis advised that he had this discussion with a large number of people and he commonly likened it to a map and taking a trip. He said that just having a map would not get them to their destination but they were unlikely to ever get to their destination without a map. He stated that this would provide them a map and a clear direction of where the community wanted to go. He added that they had some confidence because of the collaborative nature of this process that as they went down this road with the support/mandate/shared vision that provided some comfort as they moved ahead and perhaps commit significant amounts of public dollars with the support of the citizens.

Mayor Schlum commented on what he felt Councilmember Dickey was saying, "keep it real ... keep it realistic" and viable and agreed that this was an important goal. He added that this was also not something that they were looking to do overnight - it would be an over time layered approach.

Mr. Davis said that it was very likely that what they were drawing was not what it would ultimately look like. He stated that if the only thing that they got out of this process was some shared vision of what their future could be, there would be an emotional benefit to that as well. He noted that right now they had people going in different directions and stressed the importance of being unified.

Councilmember Leger stated that he discussed this with the Town's new Economic Development person and if they went down this road and they had this vision, it became a tool not only for economic development but for the Town's planners as well to become more proactive in working with developers rather than being reactive. He commented on the fact that there appeared to be more money in the budget for marketing in the economic development area.

Councilmember Hansen noted that year after year they had heard citizens say that "they have to decide what they want to be when they grow up." She stated the opinion that this was a tool that would help them get there.

Mayor Schlum commented on the fact that the Swaback Company was known around the world for their quality land planning and expertise in the architectural area. He said when the economy was down people started to look internally and looked at retooling and planning and it just so happened that planning firms were available when the economy was down because there were not a whole lot of master planned community developers hiring them to do things. He noted that the firm was based out of Scottsdale and one of the principals lived in Fountain Hills and had for some time. He added that they had a passion for the Town and had already done

much work in the community. He stated the opinion that this was a good opportunity for them to consider on the next agenda.

Mr. Davis advised that on the agenda there would be a presentation by Mr. Swaback (if they were agreeable to doing so at that time) and a proposal to participate financially in Phases III, IV and V (May 21st agenda).

Councilmember Leger said that if in fact that presentation was brought forward to fund Phases III, IV and V, he would like to know how that was going to look in terms of where the money was, what was available, and how that fit into the current budget.

Mr. Davis replied that there would be a financial plan for the proposal.

Mayor Schlum thanked everyone for their input.

AGENDA ITEM #3 – PRESENTATION AND DISCUSSION ONLY REGARDING TRASH HAULING AND RECYCLING FOR SINGLE FAMILY HOMES.

Environmental Planner Raymond Rees addressed the Council relative to this agenda item and stated that in 2006 the Strategic Plan was drafted and one of the main items included enhancing the stewardship of the natural environment. (A complete copy of the presentation is available in the office of the Town Clerk.) In January 2007, Council, at their Retreat, set a goal relating to the Strategic Plan to adopt a responsible environmental policy for the community. In June, staff began forming the Environmental Task Force and compiled an inventory of the Town's environmental policies. In August, the Task Force performed benchmarking and gap analysis on the policies and formed the initial list of 42 environmental issues of interest. In December 2007, the Task Force formed a top ten environmental priorities list and curbside trash and recycling was the number one item on the list. In February 2008 staff presented it to the Town Council at a Special Session for discussion with possible direction to staff regarding the environmental policy team's research findings and recommendations. The discussion of recycling and a single trash hauler was discussed among the other top ten issues. In May of 2008 the Town Council unanimously approved Resolution 2008-18 adopting the Town's Environmental Policies. Over the next several months, the committee addressed items on the top ten list and decided to go forward with looking into the issue of a single hauler for trash and recycling for single-family homes. Staff researched other municipalities that had gone through or were going through the same process for guidance. The goal of the committee was to come up with a plan that would meet the goals of: (a) stopping unsightly garbage cans on the street everyday; (b) mitigate wear and tear on the roads; (c) limit noise; (d) reduce pollution and (e) reduce fuel consumption. In December 2008 the Environmental Subcommittee conducted a meeting with several of the haulers that provided services to the Town in attendance. Several questions were asked of them including would they all participate in the RFP process if initiated and they all answered "yes." Staff met individually with those two haulers who could not make the meeting and they had answered "yes" as well.

Mr. Rees stated that staff continued to collect information on varying recycling companies and programs to ensure that they explored as many options for trash and recycling as they could to be sure that they were going to provide the best possible options for services for the Town, whichever they were. After the committee felt that they had gathered a substantial amount of information, it was decided that the committee would go forward to the Council in an Administrative Session and provide an update to the Council on the committee's progress regarding trash and recycling for the Town. It was agreed that the Town would continue to monitor Queen Creek's activity as they went through their RFP process. At this time, the Environmental Committee members were leaning toward going to a single hauler for Town services.

Mr. Rees corrected a date included in the materials and noted that it was in January of 2009 not 2008 that staff presented to the Council at a Work Study Session and staff's preliminary opinion was that the Town should move toward a single hauler. The Town Council had had asked questions and some of those involved how to

get HOA's involved in the process, billing, and some other items. Council also suggested that public outreach be conducted in an effort to obtain public input. Mr. Rees reported that in February staff responded to the Council's questions and also scheduled a Town Hall style meeting at the Community Center to gather public input. On February 24th, staff conducted the meeting and approximately 60 citizens attended. He said that at that time they let the citizens know that an on-line survey was also going to be conducted and encouraged citizen e-mails and input. (The on-line survey began on March 1st.)

On March 17th, staff received all of the raw data results from the on-line survey, analyzed the data, and presented it to the members of the Environmental Committee. At the committee meeting it was determined that staff would go forward with a recommendation to the Council that a single service provider for trash and recycling would be the best option for the Town.

On March 23rd, staff received a report from the Town's Attorney relating to HOA's and the Town's ability to require participation in Town-wide services for trash and recycling. Staff met with the Town Manager to discuss the content of the memo as they believed it contained issues that the Environmental Committee needed to discuss. It was also determined that an additional Work Study Session with the Council would be required. An Environmental Committee meeting was scheduled for March 30, 2009.

Mr. Rees discussed the results of the Town Hall meeting survey (48 entries) and reported that 27 people or 56% agreed that the Town should utilize a single hauler and 16 people or 33% disagreed. He added that the results on the curbside recycling question for all single-family residences was pretty close. Mr. Rees also reported on the online survey results (321 entries) and stated that the results were 45% yes versus 42% no (8% undecided). For the curbside recycling 51% said yes, 40% said no and 8% were undecided. He also reviewed results from e-mails, walk-ins and phone calls (28 entries). He noted that the cost range between all of the different citizens getting services – ran from \$10 to over \$40 a month, a pretty significant number. He highlighted the total results for the benefit of the Council (397 entries): exclusive contract: 48% yes, 31% no and 6% undecided and curbside recycling: 48% yes, 39% no and 6% undecided.

Discussion ensued relative to the cost of services per month broken down; comments received in favor of a Town-wide single hauler for trash and recycling – 189 or 56%; comments against a Town-wide single hauler for trash and recycling – 110 or 33%; related comments for Town-wide single hauler for trash and recycling – 37 or 11%; samplings of the survey comments both for and against the single hauler; and a sampling of the survey comments (HOA cost and satisfaction).

Mr. Rees summarized his remarks and said "What does it all mean?"

- In Fountain Hills there are multiple haulers and residents are paying varying rates starting at \$11.00 to over \$40 per month. This indicates that competition does not always keep rates lower. In fact, HOA's that negotiate contracts tend to have better rates than do the individual homeowners;
- HOA's have a proven track record that single providers can offer a more reliable service at a cheaper rate (Eagle Mountain pays \$11 per month and SunRidge Canyon pays \$14.95);
- Of the responses from the survey that were opposed to the Town choosing a single hauler for trash and recycling, a majority of them were concerned with the possibility that they would experience escalating cost, poor service, and no ability to change providers if they were dissatisfied;
- Of the responses from the survey that were for the Town choosing a single hauler for trash and recycling, a majority of them were concerned with reducing the impact that the trucks were making on the environment, the Town streets, and the community in general.

Mr. Rees referred to slides that depicted the recycling center at the Community Center at the Library parking lot, which was littered with bags and bags of items and loose items as well but said that he managed to get all of that

into the containers. He stated that they have a very clean recycling group in Town and they do a very good job according to waste management practices.

Mr. Rees provided justification for a Town-wide single hauler for trash and recycling as follows:

- People want to recycle
- Provides a can for trash and recycling at every single-family home
- Stops unsightly garbage cans on the street everyday
- Mitigates wear and tear on the roads
- Reduces noise and air pollution and reduces fuel consumption
- Through the RFP process staff hopes to negotiate a fair price for all residents

Mr. Rees said that the 36 million aluminum cans that went into landfills last year had a scrap value of \$600 million. Americans go through 25 billion plastic bottles every year and all of this should be recycled. Recycling paper instead of making it from new generates 74% less air pollution and uses 50% less water to manufacture. Americans throw out enough iron and steel to supply the nation's automakers on a continual basis. He said that if they did not recycle, the risk was that they would be back to what they're doing – nothing – and there would be continued wear and tear on the roads, continued high levels of vehicular noise, etc. Mr. Rees advised that all of the research indicated that a single hauler would be the best option for the Town of Fountain Hills and its citizens. He indicated his willingness to respond to questions from the Council.

Councilmember Hansen commented on the fact that Eagle Mountain paid \$11 a month and SunRidge Canyon paid \$14.95 a month. She asked whether that price included recycling and Mr. Rees replied that it did.

Councilmember Dickey discussed the second meeting that was held and said that she had missed the meeting where the group had gotten together and wanted to wait for Queen Creek. She stated that she just wanted to clarify that they had not all gotten together the second time but she had requested another meeting because she wanted to understand what led to that decision. She added that it looked as though they were going to go forward with a recommendation that the Town back off or wait and see what happened with Queen Creek and that surprised her so she wanted to hear what had led to that. She advised that she had received e-mails from residents who believed that this proposal would enhance pedestrian and traffic safety as well (in addition to the other positive impacts).

Mayor Schlum brought up the issue about the utility requirement and asked if that had been addressed (billing) and Councilmember Dickey said that that was one of the things they were discussing now – whether they went forward with trying to get together on an RFP. She stated that today they did not have to make a decision on a single hauler but the haulers themselves were in a good position to assist the Town and she thought most of them would help in creating the RFP because some of the items that were still outstanding had to do with the billing and that could be put in the RFP (that the company could do the billing). She also commented on the people who did not live in Town full time and said they would have to see what accommodation could be made for them. She discussed the matter of waiting for HOA contracts to expire and ensuring people that they would not be charged twice over any length of time; the recycle bank, and other possible options that could go into the RFP, etc. Councilmember Dickey noted that this Council had voted a couple of times on environmental issues and three times during Retreats. She stressed the importance of and her preference for moving forward with an RFP process.

Vice Mayor Archambault clarified that moving forward with an RFP was not committing – it simply allowed the Town to get a number so they could decide whether they were going to move forward with taking over their own refuse service as far as single-family residences. He stated the opinion that they could not logically make that decision until an RFP had been done and costs were known. He said that they had talked to all of the

haulers and they would be involved in the development of the RFP along with the Town Attorney. He added that one of the issues in the RFP that they had talked about was whether the carrier would need to provide a staff member (the Town would provide a desk and phone) and then there would be someone who could respond to questions/concerns. He pointed out that as with any RFP, there was always an "out." If the carrier was not performing, the Town could cancel the agreement. He stated the opinion that they were probably talking about a five-year contract with some type of minor escalation clause included. He explained that they talked about a five-year contract because that was the length of time it takes to depreciate one of the trucks or all of the trucks and they would want to give the hauler an opportunity to go to the bank and say "I have a contract with the Town of Fountain Hills" (if we moved in that direction) "and now I want funding so that I can go and buy these trucks." He said that there had been some talk about doing a two or three-year contract but stated the opinion that that would prejudice some of the smaller haulers because the bigger haulers would just bring in their trucks and use them and the smaller haulers would have to go out to probably purchase an additional truck or two and that would put them at a disadvantage. He stressed the importance of ensuring that they were all on the same playing field.

Discussion ensued relative to staff's opinion that everyone should be involved including HOA's; the fact that not all of the Town's HOA's had a single-source provider and some were allowed to choose their own provider even within their HOA; Councilmember Contino's data relative to the fact that there were 90 HOA's in Town and some had only 20 or 30 people and that was a big difference from the larger ones that consist of 200 or 300 homes; Councilmember Contino's concerns regarding "upsetting the apple cart and forcing something on some people;" Town Attorney Andrew McGuire's opinion that the only way for the Town to turn into a single-hauler operation was to take over solid waste collection services and the fact that he did not believe that the Town had the authority to franchise or license like they do with Cox and therefore the Town would be required to take over the service for all areas, HOA's or not; the possibility of phasing in certain areas as contracts expired; and Councilmember Contino's opposition to demanding HOA participation and his opinion that it would "open up a can of worms."

Mayor Schlum stated that in order to consider a single source provider the Town would have to be their own provider. Mr. McGuire concurred stating that in order to designate that they were only going to use one hauler or two or three would require that the Town take over that service and become the utility provider for solid waste collection. He added that it would look exactly like it was for the Town's Police protection – the Town was the law enforcement protection for the Town; the Town had that duty and that duty was contracted through the Sheriff's Office and the same was true of fire protection.

Mayor Schlum said that he thought there were a couple of haulers that could not fulfill the recycling component at the same time. Mr. Rees replied that he recalled that all of them said that they could respond to the RFP as a trash hauling and recycling provider. He stated that he did not believe that they broke it out any other way. He added that there were two who could not make the meeting and he met with them on subsequent dates and obtained their information. He said that they could go back and reconfirm that information and get back to the Council.

Mayor Schlum commented on the large amount of feedback that had been received from the citizens and noted that many of them had their favorite hauler based on quality of service and cost. He added that that led to competition and that was the primary concern he heard from the public (multiple choices allow for higher levels of service). He said that recycling had been used a lot in the community but it was still going to add to the cost if they included it and the curbside was something that some people were not paying for today, it was a choice, and they would be forcing the recycling on some people who would not feel that that was important to them at this point. He noted that they still had to make some decisions about part-time residents and impacts on them as well as the RFP framework (the term of the contract). The Mayor requested that Mr. Rees discuss multiple contractors and whether that had been considered.

Mr. Rees informed the Council that the Committee held a brainstorming session on that and if they had a contract for four sections of the Town it still would not allow a citizen to get out of this and get another hauler - they would still be stuck with that pricing or that service. He stated that really the issues were the same as a single hauler; it just broke the Town up into four sections. The zoning did not change the overall gain very much; it just provided an opportunity for more haulers to bid on those sections.

Councilmember Brown said that he continued to hear about the bad service that was being provided and added that the only time his trash was not picked up was when he forgot to take it out. He stated that he would like to know, with all of the different haulers in Town, how many people actually set their trash out and had not had it picked up. He stated the opinion that they were "spanking the wrong horse here" and added that the carriers all wanted to do a better job because they would really like to be a single carrier in the Town with 16,000 pickups. He said that the more pickups one right after another right down the street day after day after day the more competitive price they would get. He reiterated that he had never had a problem.

Mayor Schlum said he has heard from citizens that poor service was not the problem today because of all of the competition.

Councilmember Brown expressed the opinion that the Town had competent trash pickup people and regardless of whether they had 1 or 12 they were going to have their trash picked up unless you forgot to put it out.

Vice Mayor Archambault commented that Mr. Rees and the members of the committee (including the Vice Mayor and Councilmember Dickey) tried to address the citizens' concerns no matter how minor they thought they were. He said that rather than losing competition, they would actually be taking the competition up to a higher level. He added that they had talked about breaking the Town up into different zones and the scenario they came up with was you could very possibly have different price ranges in different zones and that was exactly what they had now - different rates all over Town and no economy of scale. The overall thinking was that they could realize a better price doing the whole Town rather than breaking it down into pieces.

Councilmember Dickey said it was somewhat of a conflicting message if people wanted to drop their haulers if they did not pick their stuff up but then there were people who were so loyal to their haulers so those two messages were in conflict with each other. She stated that the roads were definitely a Town responsibility and she would hope they could get some kind of an answer on that because those trash trucks were about the heaviest vehicles on the roads. She added that even if they did, the zones problem would still exist. She discussed recycling and said that again, they were making a decision for the Town - the same decision that many other municipalities had made on that level. She noted that people were getting recycling for free now and she was happy that they were doing that but how long did they do that and how many days/bins would they add? Councilmember Dickey stated that they had decisions to make, reminding the Council that they "force people to stop at red lights too." She said that she believed that there were certain things that got into the public safety/cleanliness/responsibility areas and if someone did not agree, that was legitimate, but she wanted people to know how she felt - they were making a leadership decision.

Councilmember Leger stated that trash was very personal and any time they made a legislative decision, he did not think they touched everyone but this one would. He added that free choice was also very personal and noted that cost was the big equalizer. He said that cost was going to be a major factor and he also had concerns about the HOA's, particularly gated ones that typically maintained their own streets. He stated that if they came up with a cost that was higher than someone in an HOA was paying, on their scale of economy he had a real hard time mandating a service that people needed to pay more money for. With respect to the legality of all of this, he said he would like to ask the Town Attorney if there was any way to "carve out" HOA's and allow "choice."

Mr. McGuire said that he did not know of any way (other than by changing the Statute) to authorize the Town to issue exclusive licenses and franchises to get there. He stated that it was such a small statutory authority that

they had to begin with and essentially one small statute and one case was all they had to interpret their authority in this area. He added that he would be reluctant to say that the Town should be able to carve out areas simply because they were gated communities when that was not a distinguishing factor in other communities that provided their own service.

In response to a question from Councilmember Leger, Mr. McGuire said that the RFP could require that specific names be placed on the trucks. He noted that communities such as Goodyear did not do that but that did not mean that the Town could not include that in the RFP.

Councilmember Leger commented that he was on board philosophically in terms of the rationale for moving in this direction from an environmental perspective but reiterated that he believed cost would be the great equalizer. He added that the zones were an interesting concept.

Councilmember Leger asked whether it would be legal to place restrictions on haulers that service the Town (could there be very specific requirements placed on them relative to decreasing traffic, wear and tear on roads, recycling, etc.). He asked if they could be restricted to one day a week in Town and have to also provide the option of recycling. He questioned whether they had the authority to create a new model and parameters to dictate how they did business in this Town.

Mr. McGuire noted that the Statute that authorized the regulation of the private collection of solid waste included a regulation of standards for equipment, hours of operation, license fees, and insurance requirements and that was what the Town had to work with. As far as hours of operation, he thought that Councilmember Leger's example relative to limiting the days or hours they could collect probably would fit in with that category. He discussed license fees and said that the maximum you could charge was capped (\$5,000). He added the opinion that they could probably require a minimum as far as the insurance requirements but he did not see any way to mandate recycling and that was probably the most important provision that they had been hearing about from citizens.

Councilmember Leger asked whether an analysis had been conducted relative to the wear and tear on the streets and what it was costing the Town and the savings that would be realized if they reduced to one hauler.

Mr. Rees said that he had approached the Town Engineer with the numbers that they had at previous Council meetings and Mr. Harrel was not real comfortable with bringing those numbers forward as he wanted to update all of that information and provide it for the Council's review at a future meeting.

Discussion ensued relative to the number of HOA's that would be positive about the proposal, particularly gated ones; the fact that a number of HOA's in Crestview that had multiple haulers had asked that they be kept in the loop and indicated that they would be interested in participating; the fact that staff had not tallied the total number of all of the HOA's yet but would do so; the recycling program's costs and the fact that the costs were increasing, not decreasing (recently went from \$730 a month to \$1,100 a month) and the fact that the haulers could probably help the Town out as far as the HOA's too (getting the hard number).

Mayor Schlum stated that any time a government body made a decision on an issue such as this, it was significant and it touched on many things. He said that they were talking about taking away peoples' choices and that was always serious. He added that he agreed with the trash haulers impacts on roads and the noise that was generated.

Vice Mayor Archambault advised that in 2002 he had originally come forward with a proposal for the Town to take over refuse service but for a different purpose; they were looking for a revenue stream and were faced with a very significant shortage of revenue. This time when the committee started discussing it, the primary focus was not just recycling; it was the impact on the streets. He said that over the years when he went to the League

of Cities & Town's conference and talked with many of the municipal employees, some engineers, and he had learned what happened to the roads because of these trucks. The Vice Mayor compared it to "pushing a wave" and noted that when you stop, the asphalt comes to a sudden halt and cracks. He said that a significant amount of damage was being done to the roads as a result of these trucks and added that the streets could not consistently absorb this type of wear.

Additional discussion ensued relative to the fact that the committee had done an excellent job and the importance of obtaining additional data relative to cost savings associated with this and knowing which HOA's were "in the game" and which were not or were still "on the fence;" staff's hesitancy to throw out even a ballpark dollar amount to the HOA's and the fact that Eagle Mountain and SunRidge Canyon were paying less; the fact that staff wanted to wait until after the RFP had been received and then show what had been offered; moving forward with the RFP so that they would have a basis upon which to discuss this proposal (hard costs) and pose/respond to questions; the recycle bank and the coupons that residents would get back; the possibility of trash stealing to obtain better coupons; the importance of "stepping back" and looking for the best proposal for the entire Town; the importance of looking at ways of generating money and making hard decisions that in the end would actually benefit the residents and the community; and the importance of weighing all of the facts.

Mayor Schlum emphasized that the purpose of the meeting this evening was to hear a presentation and have discussion only regarding trash hauling and recycling for single family homes. He emphasized that no action would be taken at this time and thanked staff and the Council for the excellent dialogue that had taken place. He also thanked Mr. Rees for his presentation and the members of the committee for their hard work.

AGENDA ITEM #4 - ADJOURNMENT

Councilmember Contino **MOVED** to adjourn the meeting and Vice Mayor Archambault **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The meeting adjourned at 6:32 p.m.

TOWN OF FOUNTAIN HILLS

By _____
Jay T. Schlum, Mayor

ATTEST AND
PREPARED BY:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Executive and Work Study Sessions held by the Town Council of Fountain Hills on the 12th day of May 2009. I further certify that the meeting was duly called and that a quorum was present.

DATED this 4th day of June 2009.

Bevelyn J. Bender, Town Clerk